

Veeva Systems (NYSE: VEEV)

Long Recommendation



Current Price: \$150.66

12M Price Target: \$186.68

Upside: 23.9%

R/R: 2.3x

Horizon: 3-5Y

Investment Banking Industry Scholars (“IBIS”) at ASU

Zachary Speck

April 15th, 2026



Executive Summary

Veeva Systems (VEEV) is an excellent business being priced at a basement multiple

Thesis Points

- 1 **Market Misses the Forest for the Trees on CRM, Ignoring LT Upside:** The market fundamentally misunderstands the net logo churn from CRM migration, failing to price in shrinking mix, new Commercial strength, and cross-sell through different products in the life sciences value chain as Veeva raises switching costs for its customers
- 2 **Clear Right-To-Win in AI with Monetization Upside:** Veeva has a clear right-to-win in the face of agentic AI terminal value erosion concerns; in heavily regulated life-sciences workflows, AI will reinforce the system-of-record incumbent and create a new token-based monetization layer earlier than the Street expects
- 3 **Veeva’s End-State Advantage Is Much Larger Than the Market Appreciates:** The market still underestimates how difficult Veeva will be to displace over time as more regulated life-sciences workflows consolidate into a shared validated Veeva environment; as more data flows to Vault, competition becomes more about whether a customer is willing to reintroduce validation and workflow risk

Why Does the Opportunity Exist?

- VEEV is down 42% since November 2025, fueled by AI TV erosion and T20 churn concerns. 3 out of 5 of the biggest negative % price moves in the past 2Y have been “SaaSocalypse” days, so they have been largely punished for events completely unrelated to their idiosyncratic business quality, creating a **“baby with the bathwater”** scenario
- VEEV just unlocked two artificial constraints that make this trade even more favorable: 1) Legacy Veeva CRM **no longer operates on Salesforce’s platform** allowing them to make additional products in CRM, and 2) They recently **resolved a decade long legal dispute** with their closest competitor in data, IQVIA
- Despite these tailwinds, Street is anchoring to precedent growth rates and extrapolating “mature vertical SaaS” right before growth becomes less legacy-commercial and more new-product/R&D-driven. **The entry price implies Veeva will grow slower than GDP for a decade. That is not a bet the evidence supports**
- Smart money is catching on, with latest 13-Fs showing (D. E. Shaw **+2,770%**, Balyasny **+24,534%**, Holocene **+582%**)

The market is pricing VEEV as a declining CRM, **ignoring its true R&D/Quality growth engine**

Upside: 23.91 %	IRR: 22.86 %
Horizon: 3-5Y	R/R: 2.26x

For a business that has historically traded at **10-14x Revenue**, the current **~5.9x Revenue multiple is a no brainer price**



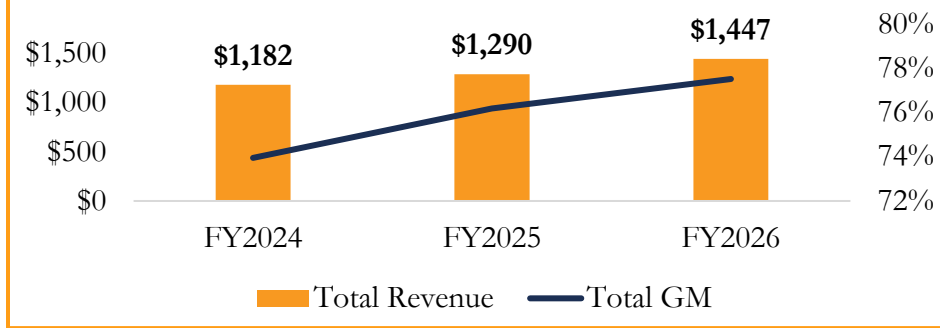
How Does Veeva Make Money?

Veeva offers an “n of 1” full-solution SaaS stack for the life sciences industry

Commercial Segment

- **45% of FY26 revenue**; more mature, but still driven by cross-sell. Makes money from subscriptions for CRM, content, and data products, generally sold on annual contracts and often tied to users/seats; also includes implementation/support services. Crossix adds a usage-based audiences business on top of more subscription-like measurement revenue, while retained CRM customers can layer on add-ons like Campaign Manager, Service Center, Patient CRM, and data products

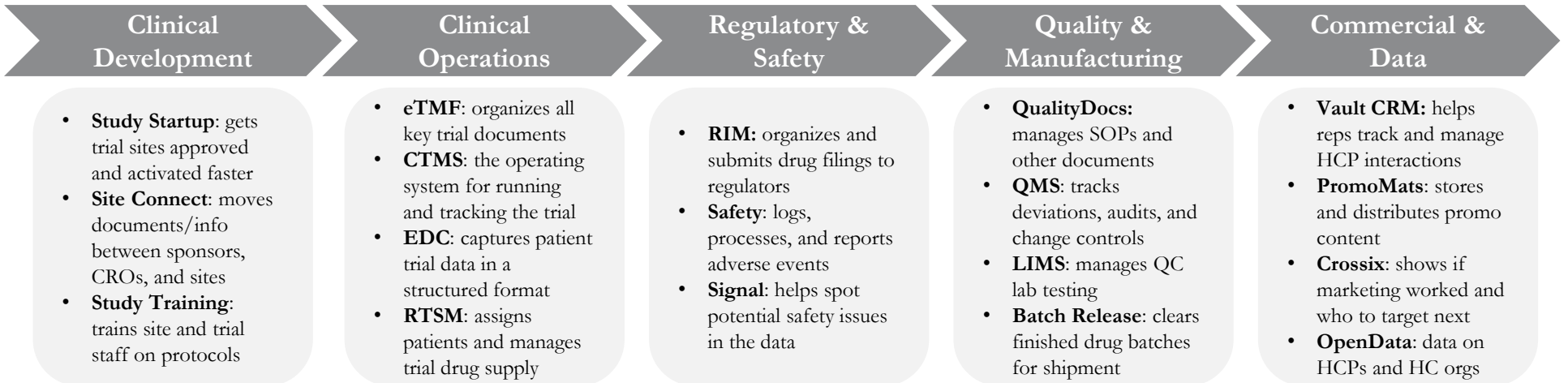
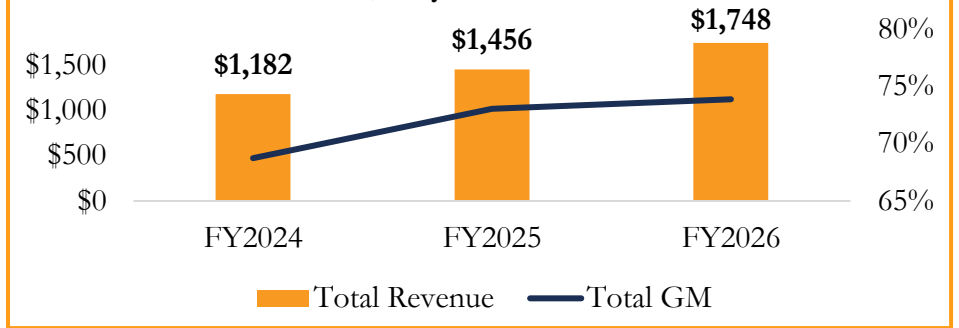
Commercial FY'24-'26 Financials



R&D / Quality Segment

- **55% of FY26 revenue** and increasingly the higher-growth mix-shift segment. Makes money primarily through recurring software subscriptions across clinical, regulatory, safety, and quality workflows, plus implementation/support services. Revenue grows as customers add more apps, users, studies, and workflows over time; mix is shifting from mature products like eTMF toward larger, earlier-scale products like RTSM, EDC, Safety, and LIMS

R&D / Quality FY'24-'26 Financials



Veeva is deeply embedded in how pharma customers package regulated information for submission to regulatory bodies, making switching mid-process highly risky and disruptive. Once adopted, **large customers often expand across the suite** because **adjacent products sit in the same validated workflow**

Sources: Company Website, Pitchbook, Company Filings, CapIQ



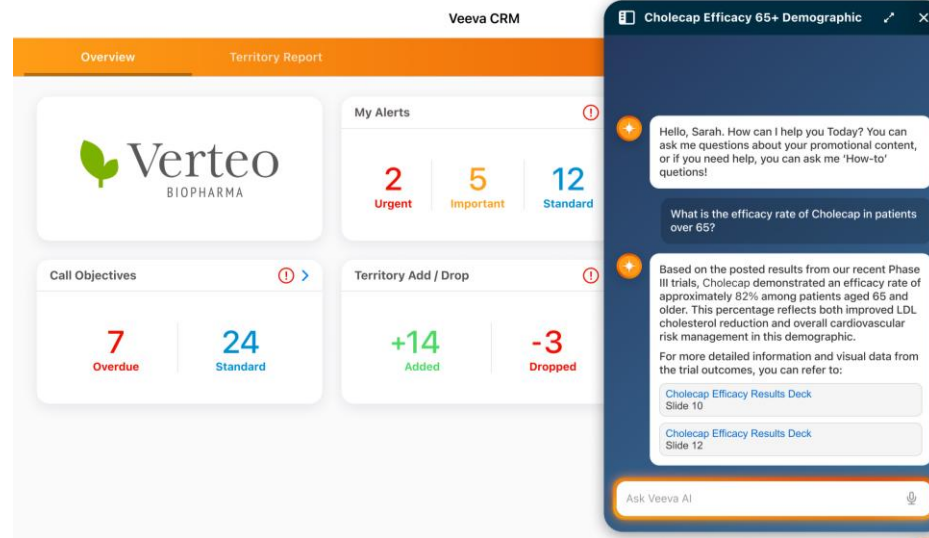
Commercial Product Case Study: CRM

Veeva's original beachhead in life sciences, now evolving into an AI-enabled commercial platform

Product Analysis

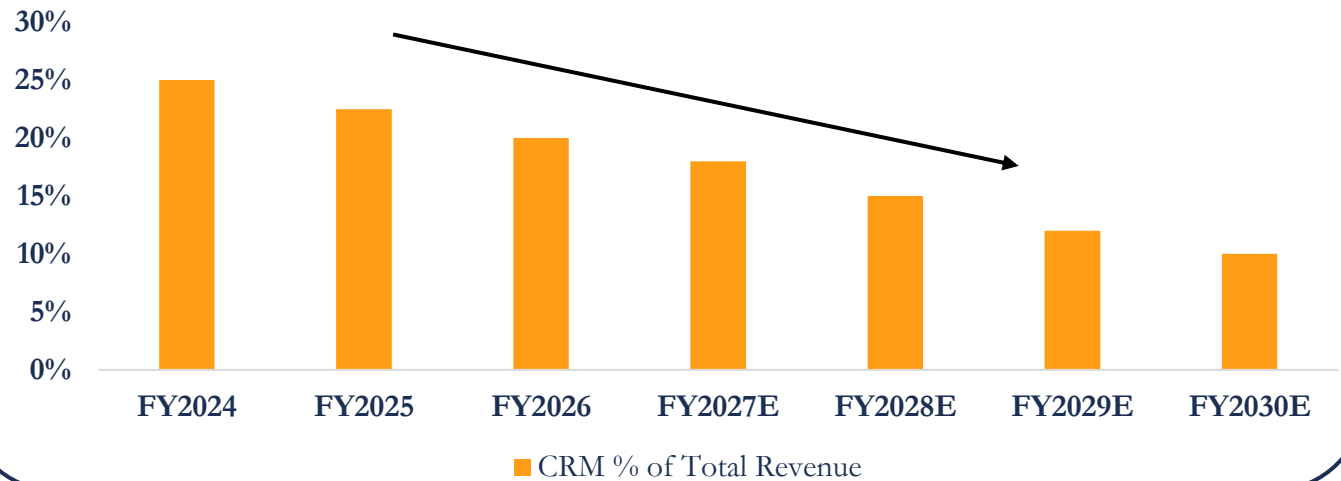
- Veeva started as a life-sciences CRM company. Its original product was a pharma-specific CRM **built on Salesforce**, which is why many investors still associate the company primarily with CRM
- Vault CRM is purpose-built for pharma workflows: it helps sales, marketing, medical, and service teams manage and optimize engagement with healthcare professionals in one shared system
- The product is a system of engagement for the field force. It supports face-to-face, email, virtual engagement, live events, and field collaboration across channels
- Veeva remains the category leader in pharma CRM, **servicing ~80% of global pharma sales reps**, highlighting how deeply embedded the product is across the industry
- **Vault CRM is the next-generation version of the product built on Veeva's own Vault platform.** It gives Veeva more control over product innovation and tighter integration with adjacent applications
- CRM is the commercial foundation. Vault CRM sits inside a broader commercial stack that includes data, content, marketing, and medical tools

Vault CRM



- AI is being embedded directly into the CRM workflow. Early use cases include pre-call planning, natural-language interaction with the CRM, voice-based note capture, automated follow-up actions, and compliance review of call notes. Management has said AI pricing is expected to be usage-based, giving Veeva a **new monetization layer**

CRM Increasingly Becoming Smaller





R&D Product Case Study: CTMS

CTMS remains critical for successful trial execution among Veeva's clients

CTMS Interface Overview

• CTMS is the day-to-day operating system for a clinical trial. It helps sponsors and CROs track study progress, site activity, monitoring, and execution status in one place, rather than managing the trial through disconnected tools and spreadsheets. CTMS is important because it works alongside eTMF and other clinical applications to support faster, more coordinated studies

T20 Adoption

■ Veeva's CTMS ■ Other Vendors

- CTMS shows how Veeva is moving deeper into the R&D backend. Adoption already appears strong, with **17 of the top 20 pharma** companies on CTMS as of Q1 FY26, and management commentary has pointed to **large ramping CTMS deals** as part of the next leg of R&D growth



Greatest Management Team in SaaS?

Veeva boasts one of if not the greatest management teams in public SaaS

Excellent business strategy has materialized in a robust **119% NRR** in an industry where the industry median has trended downward towards **107-109%**



Peter Gassner
Founder & CEO



Tom Schwenger
President & CCO

Peter Gassner:
Early platform visionary with deep PeopleSoft and Salesforce roots

Tom Schwenger:
Former Accenture life sciences leader overseeing Veeva's sales and customer teams

Focus on Customer Value

- In 2021, VEEV became the first and largest-ever publicly traded company to fully transition into a **Public Benefit Corporation (PBC)**
- Veeva didn't increase subscription pricing on existing customers from 2007 through 2023. **Zero price increases over 16 years** despite a clear ability to do so (and a competitive set that was raising prices by ~5-7% annually). Veeva was ultimately somewhat forced to raise prices during COVID-era inflation, they pegged increases to <4% annually
- When Veeva launched, it used annual contracts as opposed to the multi-year industry standard forcing themselves to win business to ward off laziness
- The Jan '26 buyback was **their first in 18Y, signaling management conviction in undervaluation**

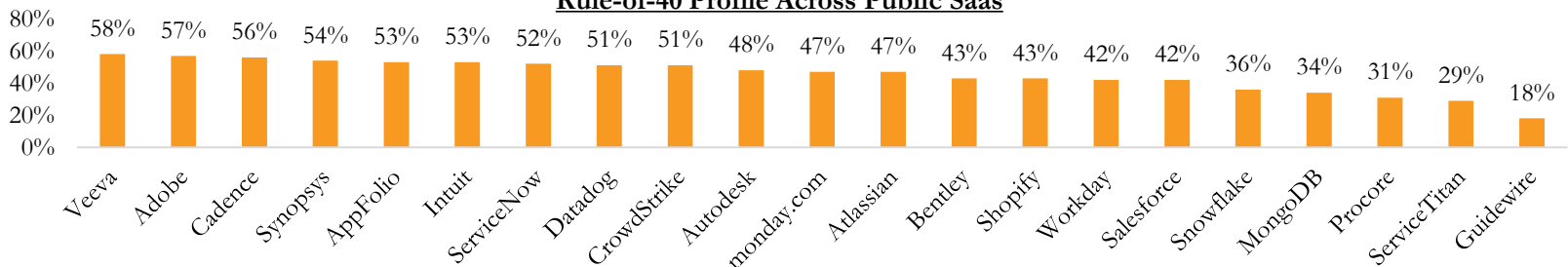
Founder-Led Excellence

- Peter Gassner has served as Veeva's CEO since the company's founding in 2007, and is the 2nd largest shareholder with a **7.6% stake** showing long-term alignment. Gassner and team (whom has an average tenure of ~10 years) have a distinguished track record
- They built a \$30B company on just \$7M of VC capital, 13x revenue since its IPO (26% CAGR over 11Y), achieved a **non-GAAP operating margin in the low-40%** (both best-in-class vs. software peers), all while setting the company up for a strong next leg of growth with a host of promising new offerings
- Gassner, an engineer by trade, still sits amongst Veeva's engineering team
- Gassner has **no annual cash bonus**, and premium options with hurdles and a two-year post-exercise hold

Capital Allocation & Discipline

- Veeva's robust financial management has allowed it to boast a **58% R40** (revenue growth +adj EBT margin), materially better than any large public SaaS company
- They have an unusually healthy balance sheet with about **\$6.6B in cash, and they generate \$1B+ in excess cash flow annually**. This creates optionality through buybacks (just announced a new \$2B program) and M&A (just acquired Ostro for \$100M)
- Management is also "batting 1000%" on long-range targets: they set \$1B run-rate by 2020 and hit it a year early, and a \$3B run-rate 2025 goal and hit it a year early
- No insider sales since the February 2023 block sale supports management conviction

Rule-of-40 Profile Across Public SaaS



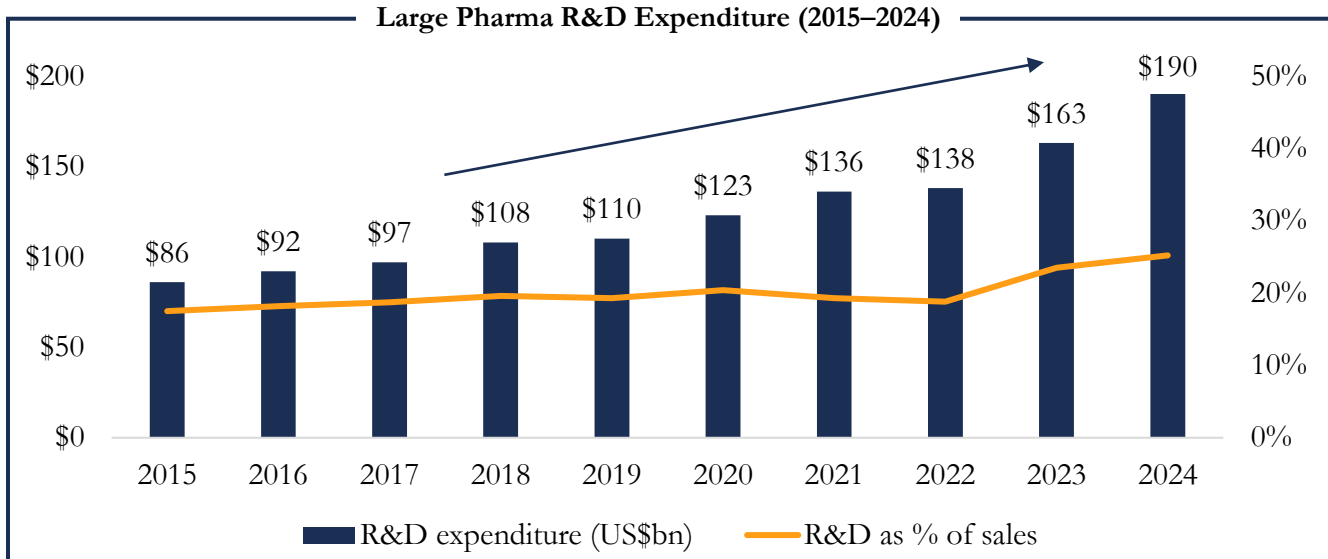
Sources: Expert Calls, Company Filings, Bloomberg, Company Website



Industry Dynamics

SAP Handles the ERP, Veeva Does Everything Else

Overview of Life Sciences Software



- Veeva sits above ERP and inside pharma’s regulated operating workflows. They run the systems of record used for the entire life sciences value chain
- Life sciences software is bought for compliance and risk reduction. These systems require validation, audit trails, electronic signatures, secure access controls, and re-testing against global regulations, which makes them sticky once embedded.
- As R&D spend rises and trials become more complex, integrated platforms matter more. Veeva’s advantage is connecting content, data, and workflows across clinical, regulatory, quality, and commercial functions **instead of forcing pharma to stitch point solutions**

Who is Veeva’s Competition?



- Salesforce is Veeva’s main competitor in CRM
- **Vault CRM is faster and lower-risk** as Veeva can migrate existing workflows with tooling, while Salesforce starts with a more custom build. In Vault, Veeva cross-sells other products giving it more ownership over tech



- IQVIA competes with Veeva in data; historically it also had a competing CRM product, which it later licensed to Salesforce
- Post-legal dispute, **Veeva can now put IQVIA data into products like Network and Nitro**, making the commercial suite more useful and more complete



- Medidata is the most relevant competitor in clinical trial software, in EDC; it has been an incumbent leader in EDC through Rave EDC
- Veeva’s EDC now has a connected clinical suite that management calls a structural advantage, and Veeva already has **9 of T20 customers in EDC**

Comparable Companies			
Company	EV/Revenue LTM	NTM P/E	1 Yr Fwd Rev Growth
Salesforce	4.3x	13.9x	11.27%
IQVIA	2.6x	13.4x	5.72%
Dassault	3.6x	13.2x	2.00%
Oracle	8.4x	24.8x	17.20%
Median	3.9x	13.6x	8.50%
Veeva	7.0x	24.3x	17.08%

- Veeva looks expensive on simple comps, but it **deserves a premium** because it is a more mission-critical, deeply embedded, and end-to-end life sciences software platform than any peer. Its products sit inside regulated systems of record, carry unusually high switching costs, and span a **broader workflow footprint** than the comp set

Sources: IQVIA Industry Report, Company Filings, Expert Calls



What Moves the Stock?

Market Pulls Trigger First, and Asks Questions Later



The Stock Trades On	My View
AI TV SaaS Risk	The stock is down 42% since Nov-25, 3 of its 5 worst down days were broad “SaaSocalypse” selloffs, and Street is still assigning effectively zero AI revenue to a company embedded across a ~\$2T life sciences industry
T20 Churn Concerns	The market is pricing CRM like a cliff even though the T20 outcome only moved from 18 to ~14, CRM is ~20% of revenue today and will be ~10% by 2030, and attrition is spread over a multi-year migration rather than one P&L hit
Quarterly Execution	Investors are anchored to near-term guide noise even though Street only needs about \$65M and \$144M of extra FY27/FY28 R&D subscription revenue to move from 16.4% / 17.1% growth to my 17% / 18% view

Sources: Barclays, Needham, JPMorgan, Yahoo Finance, Bloomberg



Thesis 1: CRM Dislocation Creates Free Upside

Vault CRM now has a higher technology ceiling ex-Salesforce

Salesforce Divorce Forced T20 Decisions

- Salesforce chaos forced a re-buy decision across CRM, and the market overreacted when expected T20 retention moved from 18 to 14, driving a sharp selloff
- Salesforce is not a clean replacement; it is often a platform plus a large SI/custom-build project, which **raises implementation time, cost, and execution risk** versus moving onto Vault CRM. Salesforce Life Sciences Cloud is described as still under active development
- Vault CRM is a better product than legacy Veeva CRM, and management said adoption is being driven by product improvement, innovation, and AI readiness; by Q1 they were already over 80 customers live and **tracking toward 200**
- T20 logo math is overstated as a proxy for franchise health because Veeva still has roughly 400 CRM customers, and management expects **win rates outside T20 to be even higher since smaller customers do not want custom projects**
- The transition should improve commercial economics over time, with revenue roughly similar on Vault CRM but better long-term cost of goods sold and **structurally better gross margins once the Salesforce royalty is removed**

What the Bears are Ignoring

1

CRM Becoming Smaller: Legacy CRM is about 20% of total revenue versus roughly 25% two years ago, and management projects it to reach about 10% by FY2030

2

Revenue Loss Disconnect: The loss is spread across a multi-year migration and implementation cycle rather than falling out of the P&L in one step

3

Ownership Over Tech: The staying customers move onto a materially better platform that unlocks additional wallet share across different offerings, including AI

CRM drove a ~20% sell-off, and Street is pricing a broken commercial franchise instead of a manageable transition with **free upside**

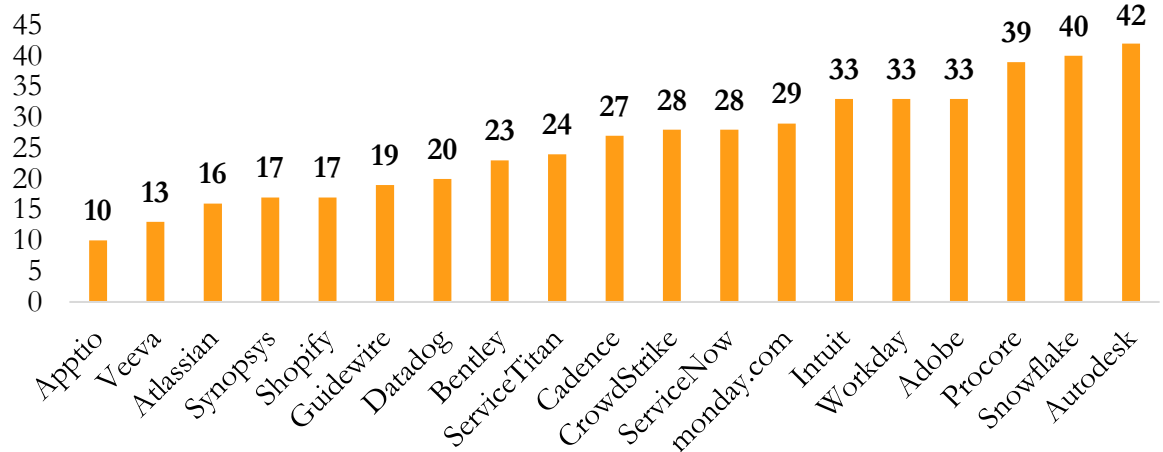
Expert Calls

“For a Veeva customer, Vault CRM is kind of a migration project. For Salesforce, you actually built system around a platform and an SI team. That’s a different level of risk.”—*Salesforce Implementation Lead*

“When thinking about our CRM, we just don’t want to blow up the field team and the more custom-built it is the more likely it is to blow up.”—*VP of Solution Architecture at Merck*

“Once teams looked at Vault CRM with other things like Network and OpenData ... seems like the decision became a broader commercial stack decision.”—*Sales Lead at IQVIA*

CAC Payback (months)



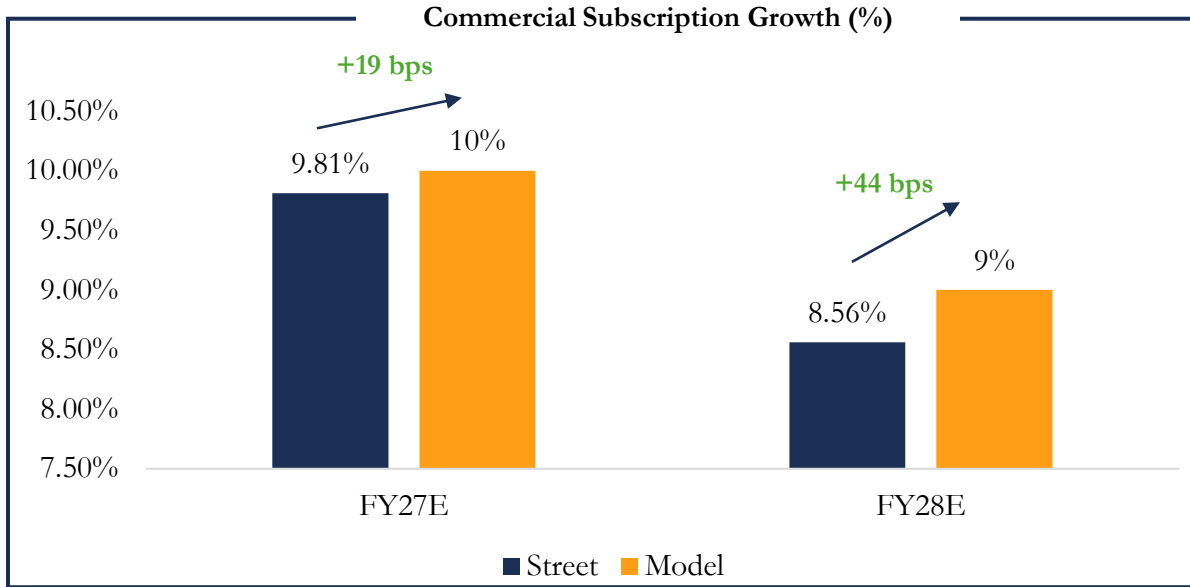
Best-in-class CAC payback shows **Veeva still has customer pull**, supporting the view that CRM churn is a contained transition issue and there is **lasting franchise value**



Thesis 1: CRM Dislocation Creates Free Upside

Street models completely miss timing, attach, and margin upside

Commercial Model Error



My model only adds ~\$2M of commercial revenue vs. Street in FY27 and ~\$9M in FY28. That is de minimis against a ~\$1.26B FY26 commercial base and assumes a fade from FY26's 13.8% growth and ~16.9% exit rate

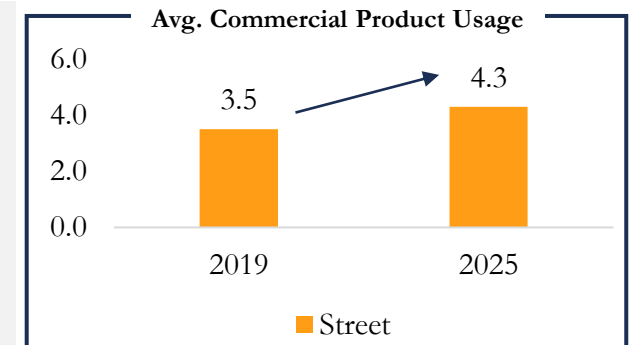
- Even the sell-side is framing the debate incorrectly: in Q3, Baird noted commercial subscription estimates had already been **raised by ~\$60M YTD** and asked how retained Vault CRM customers adding new services should offset churn
- Management's answer was clear: retained customers can adopt the broader CRM Suite and **"all the add-ons that are part of that,"** and Veeva is already seeing committed Vault CRM customers add products on
- The Street is still anchoring on T20 logo math, but Veeva has ~400 CRM customers; management said win and **conversion rates are actually stronger outside the top 20** because smaller customers do not want risky custom builds and already buy other Veeva products
- Commercial strength is broader than CRM seats: management called Crossix a "great growth driver" that should **continue over the next several years**, while also pointing to healthy execution across Data Cloud products like Link and Compass

Land-and-Expand Creates Customer Lock-in

"I will say our brand strength helps with the T20 decisions a bit but at the end of the day there is a different level of risk you have to factor in being a horizontal SaaS player" —Salesforce CRM implementation lead

"Once we were already plugged on Veeva CRM, adding another module was actually a much easier budget decision than bringing in an outside vendor ... **the value we talked about was having our workflows and teams connected**" —Commercial Ops at Merck

- The Street is modeling commercial like a maturing CRM seat business, but the increase from 3.5x to 4.3x products per customer shows **Veeva is monetizing the account more deeply even before most Vault CRM cross-sell is fully reflected**





Thesis 2: Right-to-Win in AI

AI reinforces the incumbent in validated life-sciences workflows

Why the Stock is Mispriced Today

- VEEV is being priced like a generic AI loser. Since Nov-25, the stock is down 42%, and **3 of its 5 worst down days were broad “SaaSocalypse” selloffs rather than Veeva-specific breaks**
- That framework is wrong for life sciences. This software is bought for compliance, auditability, and workflow control; replacing it is a multi-year revalidation project, so **AI is more likely to be embedded into the incumbent stack than to displace it**
- Seat-compression fear is overstated. AI can remove manual work, but not the human accountability layer; in commercial, the near-term value is better prep, cleaner compliant notes, and faster insight generation
- Horizontal AI competition is weaker than investors think. LLM vendors do not own the validated workflow, regulated data, documents, or business rules, which makes the application incumbent the more likely winner in scaled life-sciences AI
- Veeva is widening its AI surface area, not defending legacy. Embedded agents **plus the recent ~\$100M Ostro acquisition add a compliant web engagement layer on top of Veeva’s existing CRM, content, and data stack**

AI is not a terminal-value threat to Veeva; it is a monetization and moat-deepening opportunity that the market is still pricing backwards

Why Veeva Wins in AI

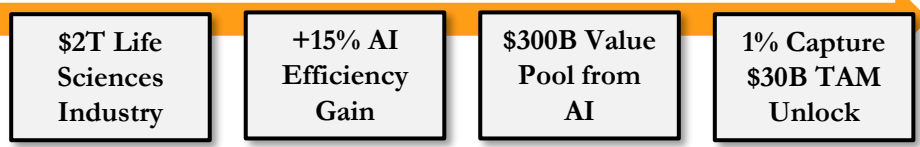
- 1 Owns the validated workflow:** Veeva already sits inside GxP / FDA-auditable processes where AI must work within review steps, security, audit trails, and controlled workflows rather than as a bolt-on tool
- 2 Owns the system of record:** Vault AI has direct access to the data, documents, business rules, and user workflow, giving Veeva a structural advantage over generic copilots and toolkit vendors
- 3 Owns broad distribution across the stack:** Veeva can build AI once in Vault and extend it across ~50 applications and 1,552 customers, from CRM and PromoMats to CTMS, Safety, and eTMF
- 4 Owns Highest-value Use Cases:** Management is targeting narrow, monetizable workflows like CRM pre-call planning and compliant note capture, PromoMats review, TMF filing / QC, and safety case processing

Experts Agree

“I’m not letting a generic AI tool touch the process **unless it lives inside our validated system.**” — *Compliance Technology Lead at J&J*

“We probably aren’t using AI to rip out the field force, but more so things like cleaner compliant notes, and generally **more output from the same team.**” — *Digital VP at Novo Nordisk*

Model Error



- Gassner expects a “15% efficiency gain from AI on a \$2T industry”
- Management is de-emphasizing near-term AI, saying they “**do not expect material AI revenue in FY26 or FY27**”, even as a token-based layer is coming
- That conservatism matters because my model only needs \$23.7M more revenue than Street in 2027 and \$55.4M in 2028. Against even a very conservative AI capture case, that hurdle is tiny

If Veeva captured only 1% of the \$300B value pool, that is a **\$3.0B opportunity**. My ‘27/’28 deltas are **only 0.8% / 1.8% of that conservative case**

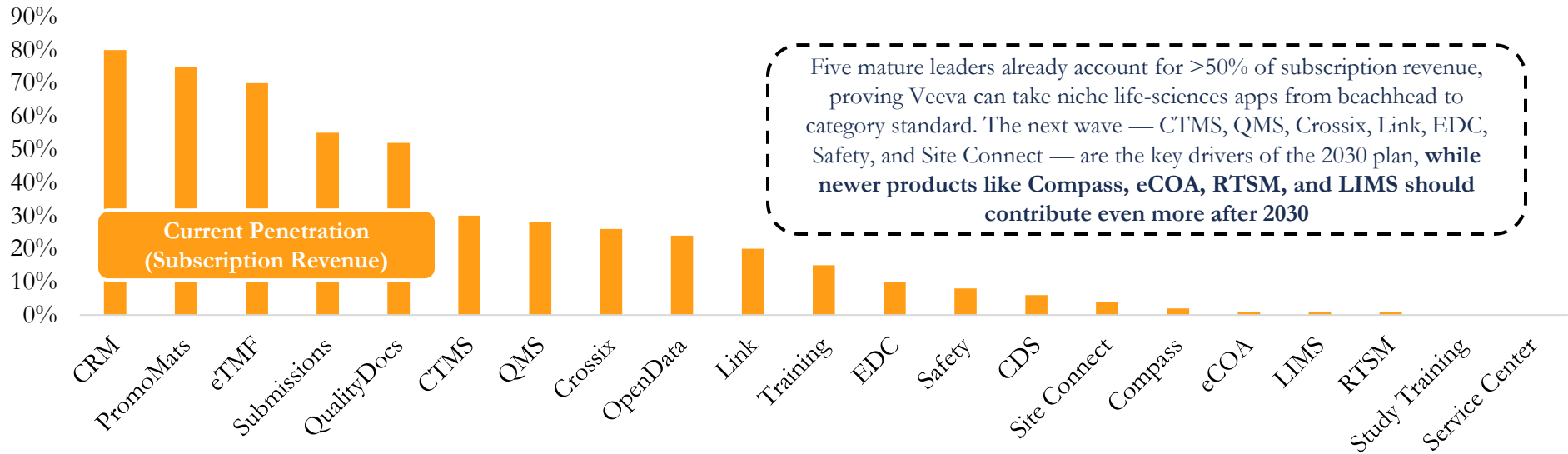
Sources: Expert Calls, Bloomberg, Earnings Calls



Thesis 3: Market Ignores End-State Advantage

Veeva's moat compounds as more workflows standardize on the stack

Long Runway for Growth in Biopharma



The Playbook Already Works

- The end-state is visible in mature apps with eTMF at 19 of T20 and CTMS at 17, showing once Veeva wins the first workflow, it becomes the standard
- EDC is the clearest next proof point: T20 customers rose from 2 to 9 from Q2 FY23 to Q1 FY26, and Peter said buyers want integrated clinical ops and clinical data “because it just makes sense.”
- Veeva Basics lets small biotechs start on Veeva earlier, creating a low-cost beachhead that can scale into full enterprise adoption as programs advance

Why Challengers Get Weaker Over Time

- Veeva has replaced 200+ vendors for certain customers; management said regulatory can replace 30+ legacy systems and quality 40-100 stitched-together apps
- Their 10-K says no single vendor competes across Veeva’s full Development and Quality stack, and Vault can be deployed app-by-app or as an integrated solution that unifies documents and data in one global system
- Gassner says, “adding the next one becomes even more valuable” because the alternative is a Frankenstein stack

Real Buyers Are Already Standardizing

- Actual customers are already moving: Merck signed a 10Y partnership and agreed to a “Veeva-first” approach, while Boehringer built its One Medicine Platform across clinical and regulatory
- Management called Safety a “20-year decision,” and described the space as dominated by two old legacy providers with Veeva now at an inflection point
- eCTD 4.0, the FDA’s new required drug-submission format by 2029, creates a second forced-buying event in Regulatory

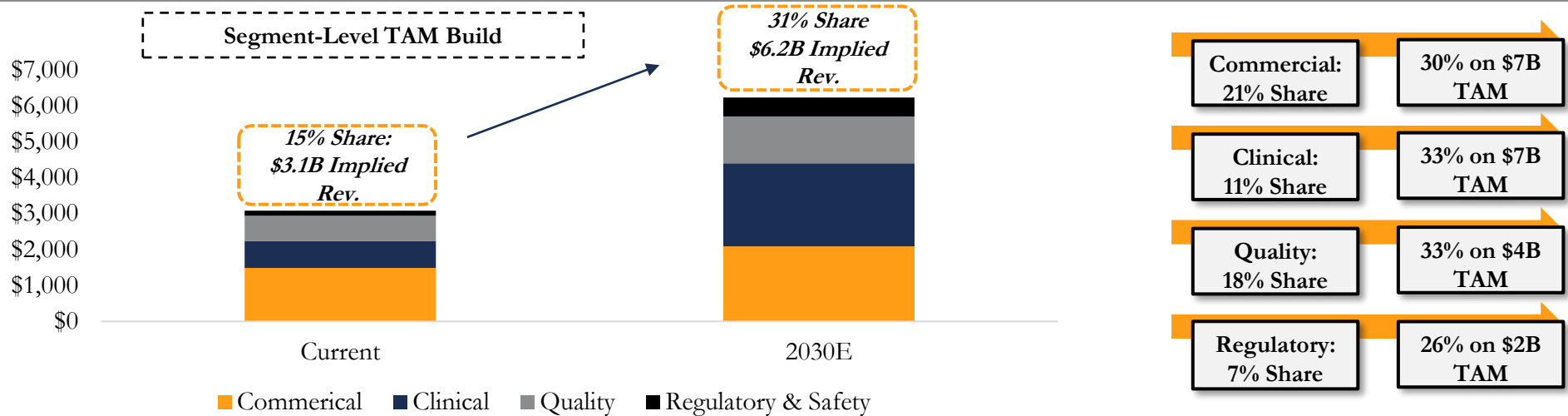
“I genuinely don’t see another comparable vendor existing in 10 years, with these apps and Salesforce drama” —Tech PM



Thesis 3: Market Ignores End-State Advantage

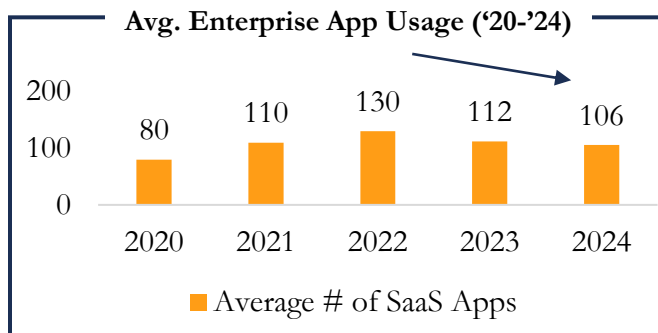
Conservative share gains still imply a much bigger end-state

Veeva Still Wins with Zero TAM Growth



- This chart is a bottoms-up TAM build into implied revenue: roughly \$3.1B today to \$6.2B by 2030, with **total share rising only from 15% to 31% on a flat \$20B TAM**
- The build is anchored in management’s TAM framework: \$7B Commercial, \$7B Clinical, \$4B Quality, and \$2B Regulatory & Safety. I cross-checked against investor-day market-share disclosures and T20 adoption data. T20 represents roughly half of industry revenue, so product wins in that cohort are a useful proxy for eventual category share
- App assumptions are moderate: EDC to 50%, RTSM to 20%, Safety to 33%, and LIMS to 15% by 2030, while Commercial expansion remains relatively conservative
- Gassner says Veeva is opening a second R&D distribution channel through CROs, widening reach into emerging biotech via study-by-study EDC/RTSM/eCOA deals and reinforcing long-run standardization on Vault
- This does not require heroic math. I assume **no TAM growth over 5Y, even though industry growth alone could push TAM above \$20B and AI could expand it**

Elimination of Frankenstein Stacks Propels Further Share Gain



- If enterprises are already rationalizing app counts in normal software, **the incentive is stronger in life sciences where extra systems raise compliance, validation, and change-control burden**
- The biggest bridge comes from Clinical, which is exactly where management says Veeva should drive an outsized portion of growth into 2030 because it is both large and still highly inefficient
- Quality and Safety are the stickiest upside buckets. Management highlighted Quality as many apps on one common Vault platform replacing fragmented vendors, while Safety is emerging as the modern alternative in a highly conservative market
- A fragmented stack can gradually consolidate onto one validated vendor, which is how **share can move from ~15% to ~31% without requiring an aggressive base case**

Sources: Expert Calls, Bloomberg, Company Filings, BetterCloud



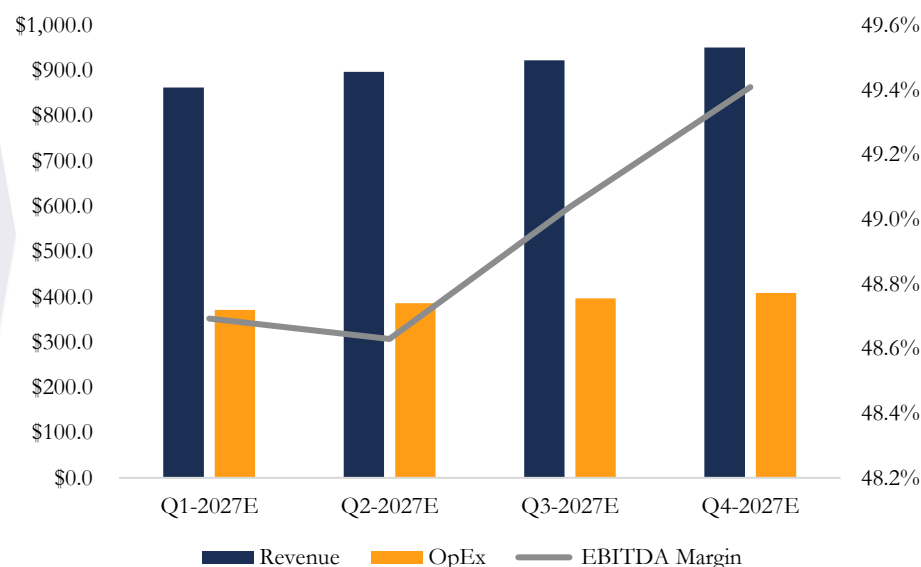
Only modest estimate variance and conservative assumptions are needed to support meaningful upside

Model Variance Summary

Variance Table		
	2027	2028
Revenue		
Street	\$3,595.7	\$4,036.3
Model	\$3,633.6	\$4,141.7
% Variance	1.05%	2.61%
Gross Profit		
Street	\$2,722.9	\$3,085.8
Model	\$2,744.4	\$3,126.8
% Variance	0.79%	1.33%
Commercial Subscription Growth		
Street	9.81%	8.56%
Model	10.00%	9.00%
% Variance	1.94%	5.14%
R&D Subscription Growth		
Street	16.44%	17.10%
Model	17.00%	18.00%
% Variance	3.41%	5.26%

- FY27/FY28 revenue is only 1% / 2.6% above Street, with the delta driven mostly by slightly higher R&D subscription growth rather than a broad re-acceleration story
- I model R&D subscription growth at 17% / 18% vs. Street at 16.4% / 17.1%, reflecting already-won products ramping into recognized revenue as the mix shifts toward EDC, RTSM, Safety, and LIMS
- Gross profit is basically in line with Street, so the **upside comes from modest top-line/model-error recognition**, not aggressive margin heroics

Operating Model Summary



DCF Blended PT

Blended Share Price

Method	Weight %	PT
Multiples	50%	\$226.11
Growth	50%	\$169.45
Blended Share Price		\$197.78
% Return		31.27%

Even the lower DCF output still supports \$169.45/share, using a 9.0% WACC and 4.0% terminal growth, without underwriting material AI revenue in FY27/FY28 or a full CRM snapback

Price Target Derivation

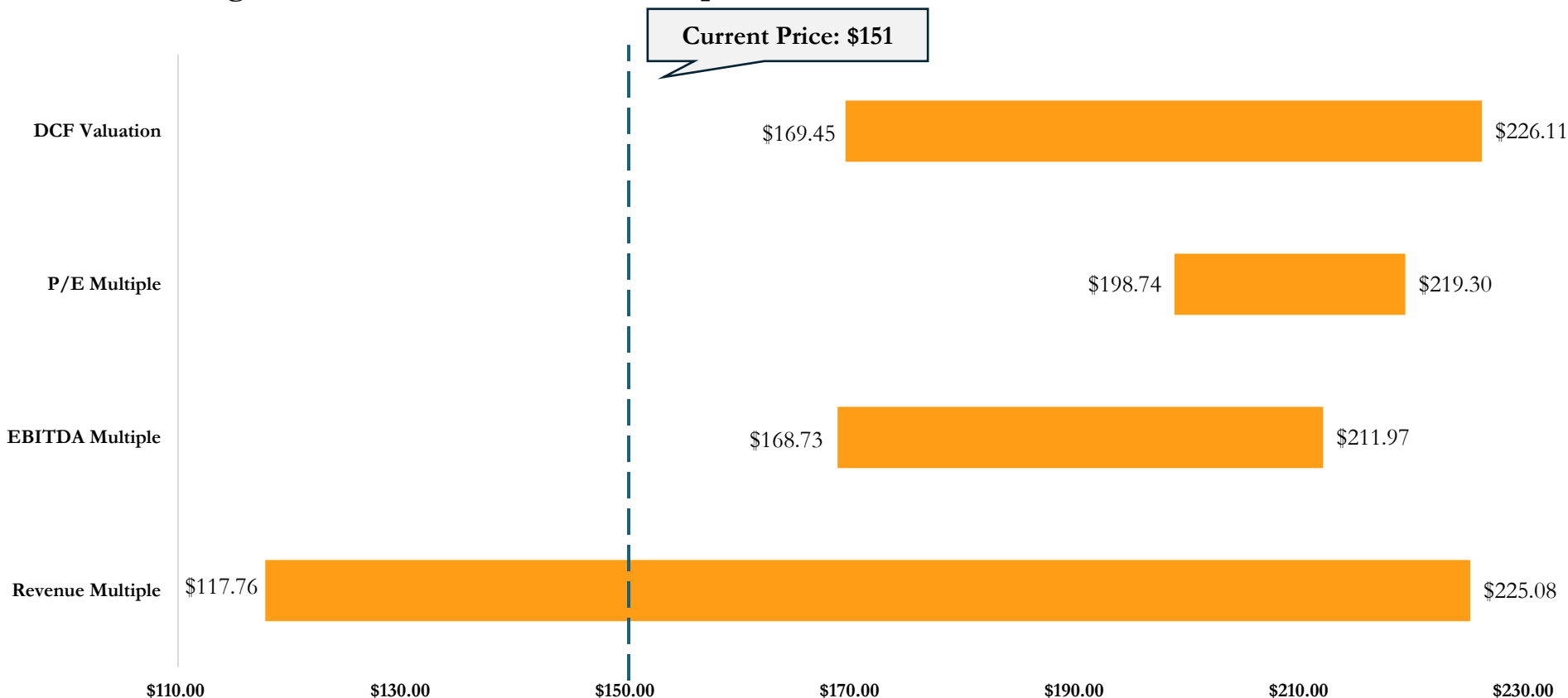
- I anchor valuation on EV/Revenue because Veeva is in a product-mix shift, where adoption of new products shows up in revenue before full earnings power is visible
- The **6.0x base 2027 EV/Revenue multiple** is conservative versus Veeva's historical 10–14x, so the target does not require a return to peak sentiment
- Reverse DCF **implies just ~4% revenue CAGR** is needed from current levels to support a **10% annual return**, before giving credit for any upside beyond modest execution

2027 Revenue Valuation

(\$mm)	Bull	Base	Bear
Revenue	\$4,473.0	\$4,141.7	\$3,313.3
EV/Revenue	7.00x	6.00x	4.00x
Enterprise Value	\$31,310.9	\$24,849.9	\$13,253.3
(-) Net Debt	(\$6,560.8)	(\$6,560.8)	(\$6,560.8)
Equity Value	\$37,871.7	\$31,410.7	\$19,814.1
FDSO	168.261	168.261	168.261
Implied Share Price	\$225.08	\$186.68	\$117.76
% Upside / (Downside)	49.4%	23.9%	-21.8%
R/R			2.3x
Outflow	4/15/2026		(\$150.66)
Inflow	4/30/2027		\$186.68
IRR			22.86%



Even the left edge works with conservative assumptions



- The stock is essentially trading below the entire field; **so this is more of a debate over how much upside exists in the stock, not whether there is upside at all**
- P/E is the tightest range at roughly \$199-\$219, which is important because it says the case is not just a long-duration DCF story; nearer-term earnings power alone already supports a materially higher price
- DCF and EBITDA are the widest bands, which is exactly where you would expect sensitivity to sit, but their low ends still clear spot; that makes the valuation robust even under more conservative framing
- The methods still cluster mostly in the high-\$180s to low-\$220s, meaning even different lenses are pointing to the same conclusion that **the market is discounting Veeva too harshly**



Risks & Event Path

The most intuitive risks are real, but the industry structure still favors the incumbent

Thesis Risks

Biotech Funding Weakens

- Part of the broader R&D opportunity sits with smaller biotech and emerging biopharma, where budgets are more funding-sensitive
- If capital stays tight, project starts and module expansions could get pushed out, delaying visible growth
- **Mitigant:** industry demand still supports the story. Life-sciences R&D spend remains high, clinical trial activity is still elevated, and the **need for compliant trial infrastructure does not go away**

Slow AI Monetization

- AI can still reinforce the moat while taking longer to convert from pilots into scaled paid deployments
- If hard AI dollars stay limited near term, investors may keep treating Veeva like a generic software AI laggard
- **Mitigant:** the core case does not need near-term AI revenue, and the same regulatory burden that slows adoption should ultimately favor the trusted system-of-record vendor

Slow Consolidation

- A key part of the bull case is broader standardization around Veeva, but some customers may resist going all-in with one provider across commercial and R&D
- There is a real “Veeva fatigue” risk if buyers stay comfortable with a more fragmented stack for longer
- **Mitigant:** in regulated life sciences, a validated Frankenstein stack is rarely the ideal end state, and Veeva’s customer focus and product excellence will fuel continued consolidation

Event Path

1

AI Monetization

The best near-term catalyst is early proof that AI is a real monetization layer beginning to emerge inside commercial workflows. Even modest evidence of paid adoption would matter because the market is still anchored to the idea that Veeva is more AI-exposed than enabled

Time Horizon: CY26-CY27

2

Successful Commercial Transition

Investors should realize the CRM transition is a gradual puts-and-takes story, and that the commercial stack is durable. As retained customers adopt more adjacent products, the market should give Veeva more credit for resilience of commercial economics

Time Horizon: Next 2-4 quarters

3

Consolidation Expands TV

The biggest long-term unlock is when investors start viewing Veeva as the validated workflow layer around which life-sciences software increasingly consolidates. As more of the stack sits inside Vault, competition becomes more about whether a customer is willing to reintroduce compliance risk

Time Horizon: CY27-CY28



Conclusion

Too good a business to trade like damaged software

Return Metrics	
Upside / Downside	23.91%
R/R	2.26x
IRR	22.80%
MoM	1.24x

Compelling Returns

- I use a 6.0x 2027 Revenue multiple, implying 23.9% upside which is conservative versus a **historical 10-14x range**
- I support the valuation with a 10Y DCF which still yields \$169.45/share **without needing material near-term AI revenue or a full CRM recovery**

Asymmetric R/R at 2.26x

1

Industry and Business

- Veeva is exactly the kind of asset I want to own on the long side: a founder-led, cash-rich, mission-critical software platform embedded inside regulated life-sciences workflows where switching costs are unusually high and software is bought for compliance and risk reduction
- The industry backdrop is equally attractive. Large-pharma R&D spend has climbed from \$86B in 2015 to \$190B in 2024, while clinical workflows keep getting more complex
- In that environment, **Veeva’s “n of 1” full-stack position should compound over time**

2

Key Theses

- My variant view is that the market is still framing Veeva like a maturing CRM vendor just as the business becomes more deeply embedded and AI-enabled across the life-sciences stack
- First, investors are misreading CRM migration; it’s a manageable transition with attach upside. Second, AI should reinforce the incumbent in validated workflows rather than compress terminal value. Third, Veeva should become the default validated workflow vendor across more of life sciences
- Together, those points support a business that is **more durable and more important in 3-5Y than today**

3

Returns

- The returns I am asking for are modest relative to both the quality of the asset and the conservatism of the model
- The stock is trading at roughly 5.8x revenue versus a historical 10-14x range, yet my base case only assumes a 6.0x 2027 EV/Revenue multiple and revenue that is just \$23.7M and \$55.4M above Street in FY27 and FY28
- Said differently, **I do not need a heroic reacceleration story, a full CRM recovery, or material near-term AI dollars for the stock to work.** I just need modest estimate recognition and a partial rerating to unlock compelling upside



Appendix: TAM Build

	Est. % of Tot TAM	Est. Mkt Size (\$mm)	Product	Announce Date	Stage	Current		2030 Est.		I Es
						Mkt Share	Rev	Mkt Share	Rev	
Regulatory & Safety	3%	600	Safety	2019	Mid	7%	42	40%	240	
	3%	600	Other Safety			0%	0	25%	150	
	1%	200	"Submissions"	2013	Mature	50%	100	66%	132	
	3%	600	Other Regulatory			0%	0	0%	0	
	10%	2,000				7%	142	26%	522	
Quality	4%	700	QualityDocs	2013	Mature	50%	350	66%	462	
	5%	900	QMS	2016	Mid	33%	297	60%	540	
	5%	1,000	LIMS	2021	Early	0%	0	15%	150	
	3%	600	Training	2018	Mid	10%	60	25%	150	
	4%	800	Other			0%	0	0%	0	
	20%	4,000				18%	707	33%	1,302	
Clinical	3%	600	eTMF	2012	Mature	65%	390	75%	450	
	3%	600	CTMS	2016	Mid	33%	198	70%	420	
	6%	1,200	RTSM	2010	Early	1%	12	20%	240	
	5%	1,000	eCOA/ePRO	2022	Early	0%	0	20%	200	
	3%	500	Site Connect	2020	Mid	5%	25	25%	125	
	3%	500	Study Training/Start-Up	2022	Early	1%	5	15%	75	
	5%	1,000	EDC	2016	Mid	8%	80	50%	500	
	3%	600	CDB	2018	Mid	6%	36	50%	300	
	5%	1,000	Other			0%	0	0%	0	
	35%	7,000				11%	746	33%	2,310	
Commercial	3%	600	CRM		Mature	70%	420	70%	420	
	3%	600	CRM Add-ons	2012	Mature	40%	240	40%	240	
	3%	600	PromoMats / MedComms	2011	Mature	70%	420	70%	420	
	2%	400	Service Center	2023	Early	0%	0	15%	60	
	2%	400	Campaign Manager	2024	Early	0%	0	15%	60	
	2%	300	OpenData	2015	Mid	40%	120	40%	120	
	5%	900	Crossix		Mid	23%	207	50%	450	
	3%	600	Link	2020	Mid	10%	60	30%	180	
	10%	2,000	Compass		Early	1%	20	7%	140	
	3%	600	Other			0%	0	0%	0	
	35%	7,000				21%	1,487	30%	2,090	
Total		20,000				15%	3,082	31%	6,224	



Appendix: DCF Assumptions

Inputs		Multiples Method Output		Growth Method Output	
D/(D+E)	0.0%	Cost of Capital	9.0%	Cost of Capital	9.0%
E/(D+E)	100.0%	Cumulative NPV of FCF	\$8,922.3	Cumulative NPV of FCF	\$8,922.3
Pre-tax kD	0.00%	PV of Terminal Value	\$22,561.9	Perpetual Growth Rate	4.00%
Tax rate	23.09%	% of Total Value	71.7%	FV of Terminal Value	\$36,655.4
kD	0.00%	Value of Operating Assets	\$31,484.3	PV of Terminal Value	\$13,028.0
Weighted kD	0.0%	Add: Value of Cash	\$6,560.8	% of Total Value	59.4%
		Value of Firm	\$38,045.1	Value of Operating Assets	\$21,950.3
rF	4.24%	Less: Debt	\$0.0	Add: Value of Cash	\$6,560.8
ERP	4.33%	Less: NCI	\$0.0	Value of Firm	\$28,511.1
Beta	1.10	MV OF EQUITY	\$38,045.1	Less: Debt	\$0.0
kE	9.00%	FDSO	168.3	Less: NCI	\$0.0
Weighted kE	9.00%	VALUE PER SHARE	\$226.107	MV OF EQUITY	\$28,511.1
Opportunity Cost of Capital	12.50%	% Return	50.1%	FDSO	168.3
WACC	9.00%	Bagger	1.5x	VALUE PER SHARE	\$169.446
				% Return	12.5%
				Bagger	1.1x

10Y DCF (\$ in 000s)	0	1	2	3	4	5	6	7	8	9	10	11	12		
	2024A	2025A	2026A	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
REVENUE	\$2,364	\$2,747	\$3,195	\$3,634	\$4,142	\$4,307	\$4,480	\$4,659	\$4,845	\$5,039	\$5,190	\$5,346	\$5,506	\$5,671	\$5,842
y/y %		16.2%	16.3%	13.7%	14.0%	4.0%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
EBIT	\$429	\$691	\$916	\$1,000	\$1,139	\$1,227	\$1,321	\$1,421	\$1,526	\$1,638	\$1,738	\$1,842	\$1,951	\$2,065	\$2,185
% margin	18.2%	25.2%	28.7%	27.5%	27.5%	28.5%	29.5%	30.5%	31.5%	32.5%	33.5%	34.5%	35.4%	36.4%	37.4%
bps yoy		701	350	(115)	(3)	100	100	100	100	100	98	98	98	98	98
Incremental margin		68.4%	50.1%	19.1%	27.3%	53.5%	54.5%	55.5%	56.5%	57.5%	66.1%	67.1%	68.1%	69.1%	70.1%
Tax rate	19.3%	20.2%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%
Taxes	(\$83)	(\$140)	(\$212)	(\$231)	(\$263)	(\$283)	(\$305)	(\$328)	(\$352)	(\$378)	(\$401)	(\$425)	(\$451)	(\$477)	(\$505)
TAX-EFFECTED EBIT	346	552	705	769	876	944	1,016	1,093	1,174	1,259	1,336	1,417	1,501	1,588	1,680
Depreciation & amortization	\$33	\$39	\$38	\$43	\$49	\$51	\$53	\$55	\$58	\$60	\$62	\$64	\$65	\$67	\$69
% of revenue	1.4%	1.4%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
CapEx	(\$26)	(\$21)	(\$29)	(\$34)	(\$36)	(\$32)	(\$29)	(\$25)	(\$22)	(\$18)	(\$14)	(\$10)	(\$7)	(\$3)	\$1
% of sales	1.1%	0.7%	0.9%	0.9%	0.9%	0.8%	0.6%	0.5%	0.4%	0.4%	0.3%	0.2%	0.1%	0.0%	(0.0%)
Incremental FCFIv rate		1.5%	(1.9%)	(1.0%)	(0.4%)	2.0%	2.0%	2.0%	2.0%	2.0%	2.4%	2.4%	2.4%	2.4%	2.4%
Δ in WC	\$61	\$8	(\$92)	(\$13)	(\$39)	(\$33)	(\$26)	(\$19)	(\$11)	(\$3)	(\$0)	\$3	\$6	\$9	\$13
% of sales	2.6%	0.3%	(2.9%)	(0.4%)	(0.9%)	(0.8%)	(0.6%)	(0.4%)	(0.2%)	(0.1%)	(0.0%)	0.1%	0.1%	0.2%	0.2%
% of incremental sales		(2.0%)	20.5%	3.0%	7.7%	4.0%	4.0%	4.0%	4.0%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%
UNLEVERED FCF	\$578	\$622	\$766	\$850	\$930	\$1,015	\$1,104	\$1,199	\$1,298	\$1,383	\$1,472	\$1,565	\$1,662	\$1,763	\$1,869
% margin	21.1%	19.5%	21.7%	20.5%	21.6%	22.7%	23.7%	24.7%	25.8%	26.7%	27.3%	28.4%	29.3%	30.2%	30.2%
Discount period		0	1	2	3	4	5	6	7	8	9	10	11	12	
Discount factor		100.0%	91.7%	84.2%	77.2%	70.8%	65.0%	59.6%	54.7%	50.2%	46.0%	42.2%	38.7%	35.5%	
PV of FCF		\$622	\$702	\$716	\$718	\$719	\$718	\$715	\$710	\$694	\$678	\$661	\$644	\$627	



Appendix: Multiples Valuation

2027 Adj. EBITDA Valuation			
<i>(\$mm)</i>	Bull	Base	Bear
Adj. EBITDA	\$1,819.1	\$1,819.1	\$1,819.1
EV/EBITDA	16.00x	15.50x	12.00x
Enterprise Value	\$29,105.6	\$28,196.0	\$21,829.2
(-) Net Debt	(\$6,560.8)	(\$6,560.8)	(\$6,560.8)
Equity Value	\$35,666.4	\$34,756.8	\$28,390.0
FDSO	168.261	168.261	168.261
Implied Share Price	\$211.97	\$206.56	\$168.73
% Upside / (Downside)	40.7%	37.1%	12.0%
R/R			3.4x
Outflow		4/14/2026	(\$150.66)
Inflow		4/30/2027	\$206.56
IRR			35.30%

2027 P/E Valuation			
<i>(\$mm)</i>	Bull	Base	Bear
EPS	\$6.85	\$6.85	\$6.85
P/E	32.0x	31.0x	29.0x
Implied Share Price	\$219.30	\$212.44	\$198.74
% Upside / (Downside)	45.6%	41.0%	31.9%
R/R			1.4x
Outflow		4/14/2026	(\$150.66)
Inflow		4/30/2027	\$212.44
IRR			38.99%